## Message Text

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ORIGIN L-03

INFO OCT-01 EUR-12 ISO-00 EB-07 TRSE-00 COME-00 SCS-03

SCA-01 XMB-02 OPIC-03 CIEP-01 OMB-01 SS-15 NSC-05 H-02

CIAE-00 INR-07 NSAE-00 /063 R

DRAFTED BY L/EUR:KSGUDGEON:EMB APPROVED BY L/EUR:DHSMALL L - MBFELDMAN EUR/SE - JMORTON EB/IFD/OIA - TRBRODERICK TREAS. - MS. ;EAD (INFO)

----- 098677

R 140656Z PEB 76 FM SECSTATE WASHDC TO AMEMBASSY ANKARA AMEMBASSY ATHENS AMEMBASSY LONDON

AMEMBASSY NICOSIA

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E.O. 11652:N/A

TAGS:PFOR, CPRA, EIND, CY, TU

SUBJECT: U.S. PROPERTY CLAIMS IN NORTHERN CYPRUS (CMC); TURKISH GSP ELIGIBILITY

REFS: A-ANKARA 1148, B-STATE 29465, C-NICOSIA 392, D-NICOSIA 384

1. SUBSTANCE OF REFS A AND D HAS BEEN RELATED TO CMC IN LOS ANGELES. THEY WILL TAKE UNDER ADVISEMENT TUNCBILEK'S REQUEST, PARA 4 REF A, THAT THEY APPROACH TFSC DIRECTLY OR THROUGH POLAR; THEY RECOGNIZE THAT DISPOSITION OF REMAINING STOCKPILE WILL REQUIRE TFSC COOPERATION (AS OPLIMITED OFFICIAL USE

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POSED TO SETTLEMENT OF PREVIOUS ORE SHIPMENTS FOR WHICH AZOT AND PERHAPS OTHER TURKISH STATE AGENCIES ARE DIRECTLY RESPONSIBLE). THEY ARE PREPARED TO SEEK GLOBAL SETTLEMENT WITH RESPECT TO PAST SHIPMENTS AND REMAINING STOCKPILE IN FORTHCOMING NEGOTIATIONS WITH AZOT FYI ALTHOUGH WE ARE NOT SANGUINE LATTER ISSUE CAN BE RESOLVED IN THAT CHANNEL. END FYI. PARAS 3 AND 4 BELOW TRANSMIT TEXTS OF CMC LETTERS TO AZOT SANAYII AND POLAR DATED FEBRUARY 6. THESE RAISE ONLY QUESTION OF PAST SHIPMENTS. SEPARATE LETTER IS BEING SENT BY CMC TO POLAR TODAY REGARDING STOCKPILE NEGOTIATION; WE WILL CABLE TEXT ON RECEIPT.

- 2. CMC ADMITTED INFO PROVIDED ON AUCTION, REF B, INACCURAT AND CONFIRMED FIGURES OF CONCENTRATE AND PRECIPITATE STOCKPILES REF C; IT NOW APPEARS THE REPORT THEY RECEIVED ON AUCTION DID NOT RPT NOT SPECIFY WHETHER PYRITES OR OTHER STOCKS INVOLVED. EMBASSY NICOSIA'S PROMPT EFFORTS TO CLARIFY SITUATION APPRECIATED.
- 3. TEXT OF CMC TRANSMITTAL LETTER TO POLAR: BEGIN TEXT PLEASE DELIVER THE ATTACHED LETTER TO AZOT AS SOON AS POSSIBLE AND ATTEMPT TO OBTAIN FROM THEM A DETAILED STATEMENT AS TO THE TONNAGE OF OUR PYRITES RECEIVED BY THEM SINCE SEPTEMBER, 1974 TOGETHER WITH PAYMENT TO US IN U.S. DOLLARS AT THE RATE OF \$6.87 PER TON FOR OUR ACCOUNT IN THE UNITED CALIFORNIA BANK, LOS ANGELES MAIN OFFICE, 707 WILSHIRE BOULEVARD, LOS ANGELES, CALIFORNIA 90017. IT IS OUR UNDERSTANDING THAT APPROXIMATELY 330,000 LONG TONS OF OUR PYRITES MAY HAVE BEEN RECEIVED BY AZOT WITHOUT OUR AUTHORIZATION.

YOU WILL BE ENTITLED TO RECEIVE A COMMISSION IN U.S. FUNDS OF \$0.1806 (18.06 CENTS) PER DRY LONG TON OF PYRITES WITH RESPECT TO WHICH YOU ARRANGE FOR PAYMENT TO US OF \$6.87 (U.S.) PER LONG DRY TON. DO NOT ACCEPT ANY PAYMENT AT A RATE LESS THAN \$6.87 (U.S.) PER TON OR IN ANY OTHER CURRENCY WITHOUT OUR PRIOR WRITTEN APPROVAL. IN THE EVENT THAT WE APPROVE ACCEPTANCE OF A PURCHASE PRICE LESS THAN THE \$6.87 PER LONG DRY TON, YOUR COMMISSION WOULD BE REDUCED IN THE SAME PROPORTION.

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PLEASE KEEP ME INFORMED REGARDING THE STATUS OF THIS MATTER. VERY TRULY YOURS, KENNETH LIEBER (PRESIDENT, CMC) END TEXT.

4. TEXT OF CMC LETTER TO AZOT: BEGIN TEXT
IN FEBRUARY, 1975, A MEETING TOOK PLACE IN ANKARA BETWEEN
REPRESENTATIVES OF YOUR ORGANIZATION AND REPRESENTATIVES

OF OUR AGENTS, MINING AND METALLURGICAL AGENCY, LTD., AND POLAR MADEN VE SANYI A.S. AT THAT MEETING YOU WERE SHOWN AND MADE AWARE OF THE CONTENTS OF A LETTER FROM OUR AGENT WHICH NOT ONLY DEMANDED PAYMENT FOR PYRITES ILLEGALLY TAKEN BUT ALSO NOTIFIED YOU THAT CYPRUS MINES CORPORATION DOES NOT AUTHORIZE ANY FURTHER ILLEGAL TRESPASS IN TAKING ADDITIONAL FLOTATION PYRITES AND THAT IN THE EVENT OF ANY FUTURE TRESPASS, CYPRUS MINES CORPORATION WOULD MAKE DEMANDS FOR PAYMENT IN U.S. DOLLARS IN THE AMOUNT OF ANY DAMAGE OR RETRIBUTION DUE AS THE RESULT OF SUCH ILLEGAL TAKING.

IT IS OUR UNDERSTANDING THAT YOUR ORGANIZATION HAS RECEIVED ADDITIONAL SHIPMENTS OF OUR PYRITES FROM THE ISLAND OF CYPRUS WITHOUT OUR AUTHORIZATION. ACCORDINGLY, DEMAND IS HEREBY MADE THAT YOU FURNISH TO US AN ACCOUNTING SHOWING THE TOTAL TONNAGE OF OUR MATERIAL RECEIVED BY YOU SINCE SEPTEMBER, 1974. WE FURTHER DEMAND PAYMENT IN U.S. DOLLARS WITH RESPECT TO ALL SUCH MATERIALS RECEIVED BY

YOU AT THE RATE OF \$6.87 PER TON. VERY TRULY YOURS, KENNETH LIEBER (PRESIDENT, CMC) END TEXT. INGERSOLL

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<sup>\*\*\*</sup> Current Handling Restrictions \*\*\* n/a

<sup>\*\*\*</sup> Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

Automatic Decaptioning: X Capture Date: 01 JAN 1994 Channel Indicators: n/a

**Current Classification: UNCLASSIFIED** 

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TAGS: CPRA, EIND, PFOR, CY, TU, US, CMC, CPRS, PFOR To: ANKARA

**MULTIPLE** Type: TE

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